

Jan. 1-Dec. 31 1999	Bandwidth	Equipment	Service Level
Without E-Rate Funding, assuming large increase in PC count at schools	<ul style="list-style-type: none"> All schools revert to single ISDN connection in an orderly fashion. ENA assists schools with available funds to maintain bandwidth upgrades. 	<ul style="list-style-type: none"> Previously installed routers remain and are reconfigured to single ISDN connectivity. Education Hub Sites and all previously installed caching remain, benefiting all schools. 	Approximately 30 percent of K-12 schools meet 2-page per minute service level.
With Continued E-Rate Funding	Approximately 90 percent of schools have upgraded bandwidth connections.	<ul style="list-style-type: none"> 100 percent of initial ENA school upgrades are in place Remaining Cabletron school routers are replaced with new scaleable routers. 	100 percent of K-12 schools achieve average response time of 2 pages per minute

Jan. 1-Dec. 31 2000	Bandwidth	Equipment	Service Level
Without E-Rate Funding, assuming large increase in PC count at schools	<ul style="list-style-type: none"> All schools revert to single ISDN connection in an orderly fashion. ENA assists schools with available funds to maintain bandwidth upgrades. 	<ul style="list-style-type: none"> Previously installed routers remain and are reconfigured to single ISDN connectivity. Education Hub Sites and all previously installed caching servers remain, benefiting all schools. 	Approximately 25 percent of K-12 schools meet 2-page per minute service level.
With Continued E-Rate Funding	100 percent of schools have upgraded bandwidth connections.	<ul style="list-style-type: none"> 100 percent of ENA proposed school upgrades are in place. 	<ul style="list-style-type: none"> 100 percent of K-12 schools achieve average response time of 2 pages per minute. Network is scaled to meet service levels as required.

Jan. 1-Dec. 31 2001	Bandwidth	Equipment	Service Level
Without E-Rate Funding, assuming large increase in PC count at schools	<ul style="list-style-type: none"> • All schools revert to single ISDN connection in an orderly fashion. • ENA assists schools with available funds to maintain bandwidth upgrades. 	Previously installed routers remain and are reconfigured to single ISDN connectivity. Education Hub Sites and all previously installed caching servers remain, benefiting all schools.	Approximately 20 percent of K-12 schools will meet the 2 web pages per minute service level, based on reduced bandwidth and projected increase in PCs statewide.
With Continued E-Rate Funding	100 percent of schools have upgraded bandwidth connections	100 percent of ENA proposed school upgrades are in place.	<ul style="list-style-type: none"> • 100 percent of K-12 schools achieve average response time of 2 pages per minute • Network is scaled to meet service levels as required.

EXHIBIT 2

End User Access Standards

Target Performance	Rationale	Strategy and Priorities to Achieve Target	Measurement Technique
<p>Response Time Target: 2 Web pages per Minute per PC; Low Range: Degradation continues without E-Rate enhancement.</p> <p>School bandwidth will be allocated by PC count up to a 10:1 ratio of students-to-PCs.</p>	<p>Assumed average 50,000-byte screen with 10 mixed graphics and text elements.</p> <p>School local area network and attached PCs are assumed error-free and within normal utilization parameters.</p> <p>Percentage of PCs at any given instant actually requesting information from the Internet can vary from 10% to 50%, depending on usage, during class times.</p> <p>Educational Hub Site, ECR and on-site school caching, in conjunction with upgraded bandwidth to schools, will make the 2 web pages per minute target an achievable goal.</p>	<p>Education Hub Site (EHS) caching installations provide an average 74% reduction in actual traffic to the Internet. This target is based on the State of Utah's caching experience in a similar education environment. ConnectEN will experience greater benefits due to caching at ECRs and large schools.</p> <p>High capacity egress points into Education Hub Sites will improve traffic flow to network-wide caching and Internet access points.</p> <p>Upgrades to dedicated data service at schools will provide improved traffic flow to EHS access points.</p> <p>Traffic from the larger schools that have been upgraded to CDS will no longer flow to ECRs. A reduction in traffic to ECRs will reduce congestion at ECRs, and make more effective use of the T1 connection to OIR.</p> <p>Schools that require greater access at the county ECR level will be upgraded to dual ISDN, or dedicated data service where appropriate.</p>	<p>End user response time will be measured by a random sample of web requests measured at the application level by an automated process. Reports will be delivered to SDE monthly.</p>

Target Network Availability Standards

Target Performance	Rationale	Strategy and Priorities to Achieve Target	Measurement Technique
<p>Network Availability of ISDN-connected Schools connected with existing routers. Target: 97%; Low Range: 95%</p> <p><i>6/99</i></p>	<p>According to statistics provided by SDE, the average number of concurrent failed routers ranges between 30 and 50. No improvement to the Cabletron equipment failure rate is foreseen with the exception of Mean Time to Repair.</p>	<p>Lucent's two- and four-hour field service will bring improvement to actual Network Availability due to faster repair.</p>	<p>Help Desk software measures metrics of network outages. Network Availability reports will be produced monthly. Carrier's Mean Time to Repair (MTTR) will be monitored to ensure compliance with contracted performance standards.</p>
<p>Network Availability of ISDN-connected schools with new scaleable router and new ECR equipment. Target: 99%; Low Range: 98%</p> <p><i>6/99</i></p>	<p>Higher reliability of new hardware will decrease failure rate, increasing Network Availability.</p>	<p>New scaleable routers will be deployed in all schools and all ECRs to facilitate bandwidth upgrades.</p>	<p>Help Desk software measures metrics of network outages. Network Availability reports will be produced. Carrier's Mean Time to Repair (MTTR) will be monitored to ensure compliance with contracted performance standards.</p>
<p>Network Availability of Schools upgraded to Dedicated Data Service and new router hardware. Target: 99%; Low Range: 98.5%</p>	<ul style="list-style-type: none"> Higher reliability of new hardware will decrease failure rate, increasing Network Availability. BellSouth CDS has published service levels exceeding 99.9% for the carrier's internal network. Therefore, 99% is a reasonable expectation. 	<p>New routers will be deployed.</p>	<p>Help Desk software measures metrics of network outages. Network Availability reports will be produced monthly. Carrier's Mean Time to Repair (MTTR) will be monitored to ensure compliance with contracted performance standards.</p>

Target Field Repair Standards

Target Performance	Rationale	Strategy and Priorities to Achieve Target	Measurement Technique
Education Hub Site (EHS) Equipment Repair. Target: 2 hours; Low Range: 6 hours	Education Hub Sites are highly critical sites and must be given top priority for repair.	Two dedicated engineers from ISDN-Net and two NCR engineer technicians at the NOC, and 2-hour, on-site field service by Lucent, will provide immediate proactive response for any problems detected.	Help Desk software measures metrics of network outages. Network Availability reports will be produced.
School and ECR Router Equipment Repair. Target: 2 hours in major metropolitan areas, 4 hours in rural areas; Low Range: 6 Hours	Lucent field service personnel will arrive on-site with spare parts, test equipment, and in-depth knowledge of equipment. Therefore, Help Desk technician is not reliant on TCs in schools acting as a field service technician.	Twelve Lucent field service personnel dedicated to the State account are currently performing router maintenance for all TNII customers and are already meeting two- and four-hour response time service levels for all 95 counties in Tennessee. The same field service personnel will be employed to support the K-12 schools.	Help Desk software measures metrics of network outages. Network Availability reports will be produced.

DNS Service Enhancements

Target Performance	Rationale	Strategy and Priorities to Achieve Target	Measurement Technique
DNS Response Times Standards: Target Response Times: 80% of internal names resolved within 1 second. 95% of internal names resolved within 2 seconds. 100% of internal names resolved within 10 seconds.	DNS is crucial to achieving response time objectives on the ConnecTEN Network. Target response times quantifies realistic expectations among SDE, OIR, and ENA.	K-12 DNS servers are deployed at Education hub sites under OIR's DNS authority. ENA-contracted NCR engineers David Jones and Jeff Little will work with OIR to merge DNS Services.	DNS sample measurement is made by an automated process to quantify actual response time of DNS request. DNS response reports will be produced monthly.

ENA Quarterly Service Levels		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th
One time system delivery or upgrade of service		Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr
Level of Service															
I	Basic Network Delivered	X													
II	Network Expansion Module	X													
III	Regional Education Hubs	X													
IV	Major Metro Hubs	X													
V	County Caching	X	X	X	X	X	X								
VI	Major School Caching	X													
VII	Large School Caching		X	X											
VIII	Dual ISDN Group 1	X													
IX	Dual ISDN Group 2		X												
X	Broad Band Group 1	X													
XI	Broad Band Group 2		X												
XII	Broad Band Group 3			X											
XIII	Broad Band Group 4				X										
XIV	Broad Band Group 5					X									
XV	Broad Band Group 6						X								
XVI	Broad Band Group 7							X							
XVII	New ISDN Routers I	X													
XVIII	New ISDN Routers II		X												
Ongoing Service levels															
Basic Bandwidth		X	X	X	X	X	X	X	X	X	X	X	X	X	X
OIR Annual Connection		X				X				X					
Dual ISDN		X	X	X	X	X	X	X	X	X	X	X	X	X	X
Broad Band Groups		X	X	X	X	X	X	X	X	X	X	X	X	X	X
NCR Support		X				X				X					
Basic Help Desk		X				X				X					
Installation Management		X				X				X					
Network Downgrade guarantee		X	X	X	X	X	X	X							
Annual Maintenance		X				X									
Annual Field Service Fee		X				X									
Network Capacity Supplement		X	X	X	X	X	X	X	X	X	X	X	X	X	X

NOTES: All one time upgrades include hardware, software, unit engineering, field installation and testing.
X illustrates the timing of payment for services assuming full e-rate funding for the contract period.

FULL E-RATE FUNDING

Proposed Type of Expense	# of Sites	6 mo per site cost	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
Local Site total costs: (a)										
Sites with < 30 computers	400	\$360	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 1,008,000
Sites with 30-60 computers	1000	\$360	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 2,520,000
Sites with 61-120 computers	300	\$360	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 756,000
Sites with >120 computers	100	\$360	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 252,000
Subtotal for local sites	1800		\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$4,536,000
State Backbone & Internet (b)	95	\$10,596	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$ 7,046,340
Any additional Backbone cost (c)			\$110,775	\$110,775	\$116,050	\$142,425	\$142,425	\$142,425	\$142,425	\$ 907,300
Other one-time costs (c)			\$17,684,251	\$2,511,695	\$1,557,695	\$233,253	\$50,000	\$50,000	\$50,000	\$22,136,894
Other recurring costs (c)			\$5,550,354	\$7,722,910	\$4,730,459	\$4,852,055	\$5,623,543	\$5,623,543	\$5,623,543	\$39,726,407
Total All Costs (h)			\$25,000,000	\$12,000,000	\$8,058,824	\$6,882,353	\$7,470,588	\$7,470,588	\$7,470,588	\$74,352,941
(sum check) (h)										\$74,352,941
Sources of Payments(d)										
Amount paid by State & Local**(d.i)			\$1,000,000	\$4,080,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$ 17,780,000
Amount of Other Funding offered by proposer (d.ii)			\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$ 7,500,000
Savings from existing State & Local paid to proposer for expansion (d.iii)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Discount paid by FCC to proposer(d.iv)			\$16,500,000	\$7,920,000	\$5,318,824	\$4,542,353	\$4,930,588	\$4,930,588	\$4,930,588	\$ 49,072,941
Total All Payments: *** (d.v)			\$25,000,000	\$12,000,000	\$8,058,824	\$6,882,353	\$7,470,588	\$7,470,588	\$7,470,588	\$74,352,941
(sum check)										\$74,352,941
Total Savings proposed by vendor under current state & local costs (e)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculations of FCC discount for each 6 mo. Period										
	Disc % **		1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs***
Costs eligible for FCC discount	66%		\$25,000,000	\$12,000,000	\$8,058,824	\$6,882,353	\$7,470,588	\$7,470,588	\$7,470,588	\$74,352,941
Costs Ineligible for FCC discount	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of all discounts from FCC (sum check)			\$16,500,000	\$7,920,000	\$5,318,824	\$4,542,353	\$4,930,588	\$4,930,588	\$4,930,588	\$49,072,941
*See explanatory note (g)										
**See explanatory note (f)										
***See explanatory note (h)										

NO E-RATE FUNDING

Proposed Type of Expense

# of Sites	6 mo per site cost	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
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Local Site total costs: (a)

Sites with < 30 computers
Sites with 30-60 computers
Sites with 61-120 computers
Sites with >120 computers
Subtotal for local sites

400	\$360	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 1,008,000
1000	\$360	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 2,520,000
300	\$360	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 756,000
100	\$360	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 252,000
1800		\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$4,536,000

State Backbone & Internet (b)

Any additional Backbone cost (c)

95	\$10,596	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$ 7,046,340
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$

Other one-time costs (c)

Other recurring costs (c)

	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 7,500,000
	\$885,380	\$885,380	\$1,085,380	\$685,380	\$885,380	\$885,380	\$885,380	\$885,380	\$ 6,197,660

Total All Costs (h)

(sum check) (h)

	\$10,040,000	\$2,540,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$2,540,000	\$25,280,000
									\$25,280,000

Sources of Payments(d)

Amount paid by State & Local*** (d.i)

Amount of Other Funding offered
by proposer (d.ii)

Savings from existing State & Local
paid to proposer for expansion (d.iii)

Discount paid by FCC to proposer (d.iv)

	\$2,540,000	\$2,540,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$2,540,000	\$ 17,780,000
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	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500,000
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Total All Payments: *** (d.v)

(sum check)

Total Savings proposed by vendor
under current state & local costs (e)

	\$10,040,000	\$2,540,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$2,540,000	\$25,280,000
									\$25,280,000

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Calculations of FCC discount for each 6 mo. Period

Disc
% **

1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs***
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Costs eligible for FCC discount

66%

Costs ineligible for FCC discount

0%

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Sum of all discounts from FCC
(sum check)

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
							\$0

*See explanatory note (g)

**See explanatory note (f)

***See explanatory note (h)

NO E-RATE FUNDING AFTER 6 MONTHS

Proposed Type of Expense	# of Sites	6 mo per site cost	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
Local Site total costs: (a)										
Sites with < 30 computers	400	\$360	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 1,008,000
Sites with 30-60 computers	1000	\$360	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 2,520,000
Sites with 61-120 computers	300	\$360	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 756,000
Sites with >120 computers	100	\$360	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 252,000
Subtotal for local sites	1800		\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$4,536,000
State Backbone & Internet (b)	95	\$10,596	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$ 7,046,340
Any additional Backbone cost (c)			\$110,775	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000	\$ 398,775
Other one-time costs (c)			\$17,538,151	\$198,750	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$ 17,986,901
Other recurring costs (c)			\$5,696,454	\$2,178,630	\$987,380	\$587,380	\$787,380	\$787,380	\$787,380	\$ 11,811,984
Total All Costs (h)			\$25,000,000	\$4,080,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$41,780,000
(sum check) (h)										\$41,780,000
Sources of Payments(d)										
Amount paid by State & Local***(d.i)			\$1,000,000	\$4,080,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$17,780,000
Amount of Other Funding offered by proposer (d.ii)			\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500,000
Savings from existing State & Local paid to proposer for expansion (d.iii)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Discount paid by FCC to proposer(d.iv)			\$16,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$16,500,000
Total All Payments: *** (d.v)			\$25,000,000	\$4,080,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$41,780,000
(sum check)										\$41,780,000
Total Savings proposed by vendor under current state & local costs (c)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculations of FCC discount for each 6 mo. Period										
	<u>Disc % **</u>		1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs***
Costs eligible for FCC discount	66%		\$25,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000,000
Costs Ineligible for FCC discount	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of all discounts from FCC (sum check)			\$16,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$16,500,000

*See explanatory note (g)
**See explanatory note (f)
***See explanatory note (h)

NO E-RATE FUNDING AFTER 18 MONTHS

Proposed Type of Expense	# of Sites	6 mo per site cost	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
Local Site total costs: (a)										
Sites with < 30 computers	400	\$360	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 1,008,000
Sites with 30-60 computers	1000	\$360	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 2,520,000
Sites with 61-120 computers	300	\$360	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 756,000
Sites with >120 computers	100	\$360	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 252,000
Subtotal for local sites	1800		\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$4,536,000
State Backbone & Internet (b)	95	\$10,596	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$ 7,046,340
Any additional Backbone cost (c)			\$110,775	\$110,775	\$116,050	\$48,000	\$48,000	\$48,000	\$48,000	\$ 529,600
Other one-time costs (c)			\$17,538,151	\$2,457,695	\$1,557,695	\$251,875	\$251,875	\$50,000	\$50,000	\$ 22,157,291
Other recurring costs (c)			\$5,696,454	\$7,776,910	\$4,730,459	\$385,505	\$585,505	\$787,380	\$787,380	\$ 20,749,592
Total All Costs (h)			\$25,000,000	\$12,000,000	\$8,058,824	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$55,018,824
(sum check) (h)										\$55,018,824
Sources of Payments(d)										
Amount paid by State & Local*** (d.i)			\$1,000,000	\$4,080,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$17,780,000
Amount of Other Funding offered by proposer (d.ii)			\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500,000
Savings from existing State & Local paid to proposer for expansion (d.iii)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Discount paid by FCC to proposer(d.iv)			\$16,500,000	\$7,920,000	\$5,318,824	\$0	\$0	\$0	\$0	\$29,738,824
Total All Payments: *** (d.v)			\$25,000,000	\$12,000,000	\$8,058,824	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$55,018,824
(sum check)										\$55,018,824
Total Savings proposed by vendor under current state & local costs (e)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculations of FCC discount for each 6 mo. Period										
	Disc % **		1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs***
Costs eligible for FCC discount	66%		\$25,000,000	\$12,000,000	\$8,058,824	\$0	\$0	\$0	\$0	\$45,058,824
Costs ineligible for FCC discount	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of all discounts from FCC (sum check)			\$16,500,000	\$7,920,000	\$5,318,824	\$0	\$0	\$0	\$0	\$29,738,824
										\$29,738,824

*See explanatory note (g)
**See explanatory note (f)
***See explanatory note (h)

NO E-RATE FUNDING AFTER 30 MONTHS

Proposed Type of Expense	# of Sites	6 mo per site cost	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
Local Site total costs: (a)										
Sites with < 30 computers	400	\$360	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 1,008,000
Sites with 30-60 computers	1000	\$360	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 2,520,000
Sites with 61-120 computers	300	\$360	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 756,000
Sites with >120 computers	100	\$360	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 252,000
Subtotal for local sites	1800		\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$4,536,000
State Backbone & Internet (b)	95	\$10,596	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$ 7,046,340
Any additional Backbone cost (c)			\$110,775	\$110,775	\$116,050	\$142,425	\$142,425	\$48,000	\$48,000	\$ 718,450
Other one-time costs (c)			\$17,538,151	\$2,457,695	\$1,557,695	\$233,253	\$50,000	\$262,500	\$262,500	\$ 22,361,794
Other recurring costs (c)			\$5,696,454	\$7,776,910	\$4,730,459	\$4,852,055	\$5,623,543	\$574,880	\$574,880	\$ 29,829,181
Total All Costs (h)			\$25,000,000	\$12,000,000	\$8,058,824	\$6,882,353	\$7,470,588	\$2,540,000	\$2,540,000	\$64,491,765
(sum check) (h)										\$64,491,765
Sources of Payments(d)										
Amount paid by State & Local**(d.i)			\$1,000,000	\$4,080,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$ 17,780,000
Amount of Other Funding offered by proposer (d.ii)			\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$ 7,500,000
Savings from existing State & Local paid to proposer for expansion (d.iii)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -
Discount paid by FCC to proposer(d.iv)			\$16,500,000	\$7,920,000	\$5,318,824	\$4,542,353	\$4,930,588	\$0	\$0	\$ 39,211,765
Total All Payments: *** (d.v)			\$25,000,000	\$12,000,000	\$8,058,824	\$6,882,353	\$7,470,588	\$2,540,000	\$2,540,000	\$ 64,491,765
(sum check)										\$64,491,765
Total Savings proposed by vendor under current state & local costs (e)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Calculations of FCC discount for each 6 mo. Period										
	Disc % **		1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
Costs eligible for FCC discount	66%		\$25,000,000	\$12,000,000	\$8,058,824	\$6,882,353	\$7,470,588	\$0	\$0	\$ 59,411,765
Costs ineligible for FCC discount	0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -
Sum of all discounts from FCC (sum check)			\$16,500,000	\$7,920,000	\$5,318,824	\$4,542,353	\$4,930,588	\$0	\$0	\$ 39,211,765
										\$39,211,765

*See explanatory note (g)

**See explanatory note (f)

***See explanatory note (h)

Reviewer Questions for ENA Response to RFP 97-2

March 10, 1998

Deliver via email with confirmation phone call to Jackie Shrago (shrago@ter-nash.ten.k12.in.us), 615-532-1229.

- 8) E-Rate Form 471 filing for the first E-Rate period requires a detailed list of services. Please provide sufficient detail for July 1-Dec 31, 1998. Costs for these items will also need to be detailed but should be provided in a separately sealed cost information package which will be opened at the time that the Cost Proposals are opened.

On July 1, 1998, ENA will provide a basic level of service for all schools. This will include an installed router at each school, which will be connected to a computer or a network of computers at the school. This school router will be connected to an ISDN line; in some cases, the router may be connected to two ISDN lines. The telecommunications lines will be connected to an ENA router in each county. This county router ultimately allows the school's Internet traffic to reach the Internet through a variety of contracted services, which are the responsibility of ENA.

On July 1, ENA will begin providing new service levels, in addition to the basic level of service described above. These levels of services will be paid for in two parts. The "One-Time, Pre-Discount Cost" will be incurred with the installation of new equipment and upgraded telecommunications lines. The second, ongoing charge will be the "Monthly Pre-Discount Cost." Please see the attached Excel spreadsheet for service level rollout schedules and "block 5" of Form 471. These service level charges are consistent with industry standards for what a single school would receive when "connecting to an Internet Service Provider (ISP) or other end-user" (see Block 5 of Form 471 for items in quotation marks). The primary result of these increased service levels will be reliability and response time improvements. ENA believes these levels of service and the detail provided will be sufficient to complete Form 471. In the event it is not sufficient, ENA will provide any details necessary.

Each new service level impacts all K-12 schools because each upgrade affects the Internet traffic on the entire network. Therefore, the overall performance of the entire network is improved.

Service Level	Description
1	Basic network delivered to all 1,600 schools includes connections of school computer or network to an ENA school router, which is connected to an installed ISDN line. The school is connected to an ENA education County Router, which is connected to the Internet through an ENA contracted service. ENA Service includes Help Desk maintenance, ISDN line costs and overall service management. All provided on July 1, 1998.
2	Installation of Education Hub Sites, firewalls, caching servers, installation of upgraded Help Desk monitoring tools, etc.
3	First-month service level upgrades: includes Dual ISDN connectivity, CDS line installations, school routers associated with bandwidth upgrades, school and metro caching, ECR router upgrades.
4	Second-month service level upgrade: includes Dual ISDN connectivity, CDS line installations, school routers associated with bandwidth upgrades, school and metro caching installation, ECR router upgrades.
5	Third-month service level upgrade: includes Dual ISDN connectivity, CDS line installations, school routers associated with bandwidth upgrades, school and metro caching installation, ECR router upgrades.
6	Fourth-month service level upgrade: includes Dual ISDN connectivity, CDS line installations, school routers associated with bandwidth upgrades, school and metro caching installation, ECR router upgrades.
7	Fifth-month service level upgrade: includes Dual ISDN connectivity, CDS line installations, school routers associated with bandwidth upgrades.
8	Sixth-month service level upgrade: includes Dual ISDN connectivity, CDS line installations, school routers associated with bandwidth upgrades.

See creativity section of ENA RFP Technical response, pages 60-64.

ENA Monthly Service Levels								
One time system delivery or upgrade of service								
							Total	
							1st Six	
Level of Service-One Time Costs		Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Months
	Service Level 1 - Basic Network	7,950,000						7,950,000
	Service Level 2	1,845,546						1,845,546
	Service Level 3	1,790,552						1,790,552
	Service Level 4		1,891,151					1,891,151
	Service Level 5			1,207,140				1,207,140
	Service Level 6				1,207,140			1,207,140
	Service Level 7					1,134,489		1,134,489
	Service Level 8						858,234	858,234
	Service Level 9							-
	Service Level 10							-
	Service Level 11							-
	Service Level 12							-
	Service Level 13							-
	Service Level 14							-
	Service Level 15							-
	Service Level 16							-
	Service Level 17							-
	Service Level 18							-
	Total One-Time Charges	11,585,098	1,891,151	1,207,140	1,207,140	1,134,489	858,234	17,884,251
Ongoing Service Levels								
	Service Level 1							
	Basic Service	108,000	108,000	108,000	108,000	108,000	108,000	648,000
	Basic Internet Access	167,770	167,770	167,770	167,770	167,770	167,770	1,006,620
	Service Level 2	210,263	201,718	193,179	184,641	176,104	171,418	1,137,311
	Service Level 3	222,482	131,054	131,054	131,054	131,054	131,054	877,811
	Service Level 4		274,630	148,548	148,548	148,548	148,548	898,712
	Service Level 5			283,081	132,539	132,539	132,539	690,699
	Service Level 6				371,818	178,719	178,719	726,256
	Service Level 7					478,781	248,125	727,906
	Service Level 8						633,453	633,453
	Total Recurring Charges	708,516	585,080	1,041,639	1,244,976	1,519,525	1,918,515	7,316,749
	Total Monthly Charges	12,293,612	2,476,230	2,248,778	2,451,517	2,654,012	2,776,549	28,000,000

**ENA PROPOSAL
OVERVIEW FOR SCREENING PURPOSES**

	TOTAL	PER STUDENT 900,000	PER COMPUTER 90,000	PER SCHOOL 1,600
TOTAL CONTRACT	\$ \$ 74,352,941.00	\$ 82.61	\$ 826.14	\$ 46,470.59
PER YEAR AMOUNT	\$ \$ 21,243,697.43	\$ 23.60	\$ 236.04	\$ 13,277.31
PER MONTH	\$ \$ 1,770,308.12	\$ 1.97	\$ 19.67	\$ 1,106.44
PER HOUR PER STUDENT PER WEEK		\$ 0.16		

The goal is to provide every student with 3 hours access per week.

The above numbers are provided for your review. Form 471 provides space to put the number of schools, students and computers expected to be served by the contract. The Schools and Library Corporation is expected to use screens to determine if the contract provides service at or below industry pricing standards. We believe our per-student, per-computer, and per-school costs are lower than industry standards and will meet the requirements of the FCC screen.

As a comparison, a month-to-month price for providing BellSouth.net Frame Relay service at 384Kbps with no guaranteed bandwidth (0 CIR) is \$1,694. ENA's proposed per school price of \$1,100 per month, including guaranteed service levels for web page delivery and full maintenance and support, demonstrates the economies of our program. ENA's caching and support services also improve the reliability of site-specific access.

Staffing Adjustments Due To E-Rate Variations

Management Function	Staffing with E-Rate Funding	Staffing w/o E-Rate Funding
Help Desk	4 Help Desk Technicians 1 NOC Manager 2 NCR Techs (yearly renewable contract) 2 Tier II Technicians	3 Help Desk Technicians 1 NOC Manager Remote Tier II support
Network Upgrade Management	1 Project Manager 1 Project Coordinator Off-site Lucent staging team	None
Field Service	12 Lucent field engineers dedicated to the State contract 2-hour response time in metro areas 4-hr response time in rural areas	None
ENA School Partners (ESP)	8-person ESP Team visiting schools to identify current and future needs	None

In addition, the plan should address how the proposer will:

5.2.4.3.11

- (a) *meet end user requirements of support to the desktop and respond to varying degrees of technology skill within Local Education Agencies,*

ENA will deliver all services and meet all requirements listed in the pro forma contract. ENA's Help Desk will be staffed by a team from Lucent Technologies, ISDN-Net and NCR. Lucent Technologies NetCare Services Division currently operates a support center specifically for network hardware and circuit support to both trained and untrained end-users.

ISDN-Net has broad experience servicing business and residential customers with browser support and Internet access problem resolution. Their experience will be invaluable in creating a strong, responsive Help Desk.

ENA-contracted NCR technicians, David Jones and Jeff Little, have extensive experience with the ConnectTEN project and will be mentors to new personnel on the Help Desk. NCR technicians trained the current Help Desk personnel approximately 8 months ago after managing much of the original network installation and Help Desk for ConnectTEN. They will also provide an in-depth understanding of OIR resources, since they have worked with OIR for the last 8 months. All Help Desk personnel are familiar with the current software commonly found in the schools; i.e. Netscape 2.02 and Novell TCP/IP.

Technical training will be a core component of ENA's response to the varying degrees of technology skill within local education agencies. ENA intends to support a Technology Coordinators' (TCs) web page that will provide the following:

- Technical white papers
- Simple technology overviews (See Appendix H "CDS and Frame Relay for Normal People")
- Technical glossary of network terms
- Technical specifications of actual network components, protocols and circuits.

AGREEMENT

For good and valuable consideration, including but not limited to the State's execution of the Contract Between the State of Tennessee, Department of Education ("Contract") and Education Networks of America ("ENA") dated April 7, 1998, ENA agrees as follows:

In the event the legality of this contract, the legality of the process resulting in this contract, the authority of the officials executing this contract, or any other matter related to or arising from the contract is successfully challenged in a forum of competent jurisdiction so that any of the following occurs;

- 1) the contract is found void;
- 2) the contract is found to be illegal or otherwise in violation of the law; or
- 3) an injunction is issued prohibiting in any way performance of the contract

the parties agree that any such finding shall not place either party in breach of contract or result in either party being liable to the other for any type of damages or compensation; provided, however, if said finding is made after July 1, 1998, ENA may seek compensation for services actually completed and delivered. A finding under either 2) or 3) above shall entitle the State to terminate the contract either immediately or in stages.

IN WITNESS WHEREOF:

Education Networks of America, LLC:

Albert F. Ganier, III
Albert F. Ganier, III

DATE: 4-7-98

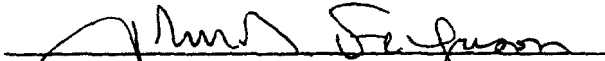
Department of Education:

Jane Walters
Jane Walters, Commissioner

DATE: April 7, 1998

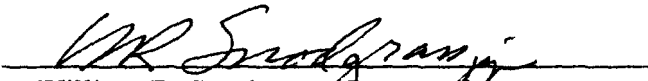
APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:


John D. Ferguson, Commissioner

DATE: 4/7/58

COMPTROLLER OF THE TREASURY


William R. Snodgrass, Comptroller

DATE: 4-7-58

CONTRACT SUMMARY SHEET

NEW CONTRACT X AMENDMENT #1		<input checked="" type="checkbox"/> FA <input type="checkbox"/> ID <input type="checkbox"/> GU	<input type="checkbox"/> GR <input type="checkbox"/> Z <input type="checkbox"/> GG	<input type="checkbox"/> DP <input type="checkbox"/> DG <input type="checkbox"/> DL	<input type="checkbox"/> RV <input type="checkbox"/> NC	CONTRACT NUMBER FA-99-12803-01		RFS NUMBER 331.258-034	
<input checked="" type="checkbox"/> OTHER CONTRACTING PARTY (VENDOR): <input type="checkbox"/> GRANTEE Education Networks of America						VENDOR I.D. NUMBER: <input checked="" type="checkbox"/> V <input type="checkbox"/> C V 621647709 00			
STATE AGENCY: Department of Education						DIVISION: Local Finance			
PROGRAM CONTACT: Jackie Shrago FLOOR(SUITE)/BLDG.: AJ Tower, 7th Floor TELEPHONE: 532-1229						FISCAL CONTACT: Jeff Roberts FLOOR(SUITE)/BLDG.: AJ Tower, 6th Floor TELEPHONE: 532-1658			
ALLOTMENT CODE	COST CENTER	MAJOR & MINOR OBJECT CODE		FUND	GRANT IS ON STARS	GRANT CODE	SUBGRANT CODE	CFDA NUMBER	
331.25	035	083		25	<input checked="" type="checkbox"/> YES				

CONTRACT TERM:

BEGIN DATE: July 1, 1998	END DATE: December 31, 2001
--------------------------	-----------------------------

ESTIMATED EXPENDITURES BY FISCAL YEAR AND FUNDING SOURCE:

FY	STATE	FEDERAL	INTERDEPARTMENTAL	OTHER	TOTAL CONTRACT AMOUNT INCLUDING ALL AMENDMENTS
1999	\$12,580,000				\$12,580,000
2000	\$5,080,000				\$5,080,000
2001	\$5,080,000				\$5,080,000
2002	\$2,540,000				\$2,540,000
TOTAL	\$25,280,000				\$25,280,000

CONTRACT SCOPE / SERVICE DESCRIPTION:

Purpose is to change the some payment clause language and attach a payment schedule.

CHECK ONE FOR EACH CATEGORY:

<input type="checkbox"/> FISCAL YEAR FUNDING IS STRICTLY LIMITED.
X FUNDS MAY ROLL FORWARD TO SUBSEQUENT FISCAL YEARS WITHIN THE CONTRACT TERM.
X CONTRACTOR/GRANTEE IS ALREADY SET UP IN STARS ON ACH.
<input type="checkbox"/> CONTRACTOR/GRANTEE ACH FORM IS ATTACHED.
X CURRENT FORM W-9 INFORMATION IS ON FILE IN ACCOUNTS.
<input type="checkbox"/> A FORM W-9 IS ATTACHED.
<input type="checkbox"/> CONTRACTOR/GRANTEE IS A SUBRECIPIENT AS DEFINED BY OMB CIRCULAR A-133
X CONTRACTOR/GRANTEE IS A VENDOR AS DEFINED BY OMB CIRCULAR A-133

FISCAL OFFICER/DESIGNEE APPROVAL:

James C. Barnes 4/15/98
SIGNATURE DATE

OCA USE ONLY:

COMPLETE FOR AMENDMENTS ONLY:

	ORIGINAL CONTRACT AND PRIOR AMENDMENTS	THIS AMENDMENT ONLY
TERMINATION DATE:	12/31/2001	
FY FUNDING:		
1999	\$12,580,000	0
2000	\$5,080,000	0
2001	\$5,080,000	0
2002	\$2,540,000	0
TOTAL:	\$25,280,000	0

Routed for Approval

Prior Year RFS Number 331. N/A

Prior Year Funding N/A

4/14/98 Supervisor of Program Area
Commissioner Signature
OCA

4/14/98 Budget/Planning
Legal
F & A Accounts

4/14/98 Funding/Performance
Authorized to Print
Vendor copy to Program Staff

Allotment Code 331.25
Cost Center 035
Grant Code N/A

RFS Number 331.258-034

**AMENDMENT NUMBER 1
TO CONTRACT FA-99-12803-00**

**BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF EDUCATION
AND
EDUCATION NETWORKS OF AMERICA**

This Contract, by and between the State of Tennessee, Department of Education, hereinafter referred to as the State, and Education Networks of America, hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete following Section in its entirety:

A.11.10 Payment. The State agrees to pay within forty-five (45) days after receipt of the invoice covering the delivered items or services in accordance with the Prompt Payment Act of 1985 (TCA 12-4-703). The State is not responsible for any discounts received by the Contractor from the E-Rate Fund, as described in the proposal. The State shall pay the one-time costs and recurring monthly cost for basic service, upon provision of service, as defined as "Total All Payments" (line d.v) Exhibit 3 for No E-Rate funding. The payment for the ConnectTEN network will be received as a credit that will be applied by the State against invoices received from ENA by September 30, 1998 for basic services. If it is determined by the State, in the State's sole discretion, that such payment arrangement is not authorized, then ENA shall pay the State of Tennessee the purchase price for the network by cashier's check or similar form acceptable to the State, on July 1, 1998. To the extent that E-Rate funding is available, the Contractor will apply all E-Rate supplements to enhancing the basic services as defined in Exhibit 1. The State may withhold payment for failure to respond as stated in this contract or other non-performance of responsibilities.

AMENDMENT # 1 TO CONTRACT FA-99-12803-00

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF EDUCATION
AND
EDUCATION NETWORKS OF AMERICA


The following Section is hereby substituted for Section A.11.10 in the original contract:

A.11.10. Payment. The State agrees to pay within forty-five (45) days after receipt of the invoice covering the delivered items or services in accordance with the Prompt Pay Act of 1985 (TCA 12-4-703). The State is not responsible for any discounts received by the Contractor from the E-rate Fund, as described in the proposal. In the event there is no E-rate funding, the State shall pay the one-time costs and recurring monthly cost for basic service, upon provision of service, as defined as "Total All Payments" (line d.v) Exhibit 3 for No E-Rate funding. In the event of Full E-rate funding, the State shall pay the one-time costs and recurring monthly cost for all service levels, upon provision of service, as defined in "Total All Payments" (line d.v.) Attachment A (attached hereto) for Full E-Rate funding. Contractor agrees that this amendment does not increase the liability of the State or the amounts available or owed to Contractor. The payment for the ConnectEN network will be received as a credit that will be applied by the State against invoices received from ENA by September 30, 1998 for basic services. If it is determined by the State, in the State's sole discretion, that such payment arrangement is not authorized, then ENA shall pay the State of Tennessee the purchase price for the network by cashier's check or similar form acceptable to the State, on July 1, 1998. To the extent that E-Rate funding is available, the Contractor will apply all E-Rate supplements to enhancing the basic services as defined in Exhibit 1. The State may withhold payment for failure to respond as stated in this contract or other non-performance of responsibilities.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.


IN WITNESS WHEREOF:

Education Networks of America, LLC:


Albert F. Ganier, III

DATE: 4/14/98


Department of Education:


Jane Walters, Commissioner

DATE: 4-14-98

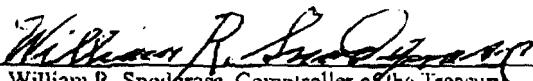
APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:


John D. Ferguson, Commissioner

DATE: 4/14/98

COMPTROLLER OF THE TREASURY:


William R. Snodgrass, Comptroller of the Treasury

DATE: 4/14/98

ATTACHMENT A

FULL E-RATE FUNDING

Proposed Type of Expense

of Sites 6 mo per site cost 1st 6 mo. Jul-Dec 98* 2nd 6 mo. Jan-Jun 99* 3rd 6 mo. Jul-Dec 99* 4th 6 mo. Jan-Jun 00* 5th 6 mo. Jul-Dec 00* 6th 6 mo. Jan-Jun 01* 7th 6 mo. Jul-Dec 01* Total 3.5 yrs ***

Local Site total costs: (a)

Sites with < 30 computers

Sites with 30-60 computers

Sites with 61-120 computers

Sites with >120 computers

Subtotal for local sites

400	\$360	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 1,008,000
1000	\$360	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	\$ 360,000	7,520,000
300	\$360	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	\$ 108,000	756,000
100	\$360	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	252,000
1800		\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$648,000	\$4,536,000

State Backbone & Internet (b)

Any additional Backbone cost (c)

95	\$10,596	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$1,006,620	\$ 7,048,340
		\$180,773	\$110,773	\$116,030	\$142,425	\$142,425	\$142,425	\$142,425	\$ 507,300

Other one-time costs (c)

Other recurring costs (c)

	\$10,988,217	\$2,311,693	\$1,337,693	\$233,253	\$50,000	\$50,000	\$50,000	\$50,000	\$15,440,860
	\$8,019,056	\$9,486,397	\$6,994,123	\$4,832,055	\$5,623,543	\$5,623,543	\$5,623,543	\$5,623,543	\$46,422,441

Total All Costs (h)

(sum check) (h)

	\$20,772,668	\$13,963,667	\$10,322,488	\$6,882,353	\$7,470,588	\$7,470,588	\$7,470,588	\$7,470,588	\$74,352,941
									\$74,352,941

Sources of Payments(d)

Amount paid by State & Local*** (d.i)

Amount of Other Funding offered

by proposer (d.ii)

Savings from existing State & Local

paid to proposer for expansion (d.iii)

	\$2,540,000	\$2,540,000	\$2,740,000	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$2,540,000	\$ 17,780,000
	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ 7,500,000
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Payment Schedule

Amount paid by State in this time period

Discount paid by FCC to proposer(d.iv)

Total All Payments: *** (d.v)

(sum check)

State Reserve from Sources of Payments

	\$7,062,707	\$4,747,647	\$3,909,646	\$2,340,000	\$2,540,000	\$2,540,000	\$2,540,000	\$2,540,000	\$ 35,280,000
	\$13,709,961	\$9,216,020	\$6,812,842	\$4,542,353	\$4,930,588	\$4,930,588	\$4,930,588	\$4,930,588	\$49,072,941
	\$20,772,668	\$13,963,667	\$10,322,488	\$6,882,353	\$7,470,588	\$7,470,588	\$7,470,588	\$7,470,588	\$74,352,941
	\$2,977,293	\$769,646	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Total Savings proposed by vendor

under current state & local costs (e)

	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Calculations of FCC discount
for each 6 mo. Period

Disc.
% **

1st 6 mo. Jul-Dec 98* 2nd 6 mo. Jan-Jun 99* 3rd 6 mo. Jul-Dec 99* 4th 6 mo. Jan-Jun 00* 5th 6 mo. Jul-Dec 00* 6th 6 mo. Jan-Jun 01* 7th 6 mo. Jul-Dec 01* Total 3.5 yrs ***

Costs eligible for FCC discount

Costs ineligible for FCC discount

66%
0%

	\$20,772,668	\$13,963,667	\$10,322,488	\$6,882,353	\$7,470,588	\$7,470,588	\$7,470,588	\$7,470,588	\$74,352,941
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Sum of all discounts from FCC

(sum check)

*See explanatory note (g)

**See explanatory note (f)

***See explanatory note (h)

	\$13,709,961	\$9,216,020	\$6,812,842	\$4,542,353	\$4,930,588	\$4,930,588	\$4,930,588	\$4,930,588	\$49,072,941
									\$49,072,941

